

# KINDERGARTEN THROUGH GRADE 12 EDUCATION

Program 029

## SPI - Levy Equalization

### Recommendation Summary

Dollars in Thousands

	Annual FTEs	General Fund State	Other Funds	Total Funds
<b>2009-11 Expenditure Authority</b>		380,052	157,043	537,095
<b>Total Maintenance Level</b>		627,861		627,861
Difference		247,809	(157,043)	90,766
Percent Change from Current Biennium		65.2%	(100.0)%	16.9%
<b>Performance Changes</b>				
Reduce Levy Equalization #		(39,474)		(39,474)
<b>Subtotal</b>		(39,474)		(39,474)
<b>Total Proposed Budget</b>		588,387		588,387
Difference		208,335	(157,043)	51,292
Percent Change from Current Biennium		54.8%	(100.0)%	9.5%
<b>Total Proposed Budget by Activity</b>				
Educational Service Districts		195,307	(157,043)	38,264
Local Effort Assistance		393,080	157,043	550,123
<b>Total Proposed Budget</b>		588,387		588,387

### PERFORMANCE LEVEL CHANGE DESCRIPTIONS

#### Reduce Levy Equalization #

Levy equalization provides extra support to school districts with higher-than-average property tax rates as a result of lower adjusted assessed property values. For calendar years 2012 and 2013, total statewide allocations for levy equalization are reduced by 6.3 percent. The levy equalization program is restructured. To comprise four tiers of districts, with the most property-poor districts receiving the smallest reduction in state funds.

### ACTIVITY DESCRIPTIONS

#### Educational Service Districts

Educational Service Districts (ESDs) assist school districts in increasing student achievement, performing fiscal and data processing functions, and meeting state and federal requirements. State funding for ESD core services represents less than five percent of total ESD funding. The remainder of ESD funding comes from other state and federal programs, and from contracts with school districts.

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### **Local Effort Assistance**

Statewide, most school districts receive a significant percent of their revenue from local voter-approved property tax levies. Since some school districts have lower property values than others, local school district levy rates vary. The lower the property values, the higher the levy rates tend to be. The state "equalizes" local funds by providing state funds in lieu of property tax collection for school districts with higher than average levy rates. School districts must pass a local maintenance and operations levy to be eligible for local effort assistance funds.